

Sustainable Procurement Policy

Date of Issuance: May 2025

I. Policy Objective

Sercomm Corporation (hereinafter referred to as "the Company") is committed to integrating sustainable development principles into its procurement decisions and supply chain management practices. In addition to conventional procurement criteria such as quality, cost, and delivery, the Company places a strong emphasis on environmental protection, social responsibility, and corporate governance (ESG), working closely with suppliers to build a responsible and sustainable supply chain.

2. Scope of Application

This policy applies to all procurement activities conducted by the Company, including those involving suppliers, contractors, subcontractors, and other business partners. Any procurement operations, supplier management, or related business activities associated with the Company are subject to this policy. The Company also encourages all business partners, suppliers, contractors, and relevant stakeholders to adopt and uphold the spirit of this policy to the extent feasible.

3. Policy Principles

i. Legal Compliance and International Alignment

- Adhere to all applicable laws and industry standards, including but not limited to labor laws, environmental regulations, and health and safety requirements.
- Incorporate the principles of international frameworks such as the United Nations Global Compact (UNGC), the Responsible Business Alliance (RBA), and the Science Based Targets initiative (SBTi) into corporate operations. The Company also refers to ISO 20400 Sustainable Procurement as a guideline for promoting sustainability throughout the supply chain.

ii. Environmental

- Encourage the use of low-carbon, energy-efficient, low-toxicity, and recyclable materials.
- Prohibit the use of conflict minerals and avoid sourcing minerals such as gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica from the Democratic Republic of Congo and adjoining countries. Suppliers are required to submit a Conflict Minerals

Reporting Template (CMRT).

- Suppliers must ensure their product materials comply with key environmental regulations, including:
 - a) Restriction of Hazardous Substances (RoHS)
 - b) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
 - c) Waste Electrical and Electronic Equipment Directive (WEEE)
- Implement **Green Procurement** practices by prioritizing products with eco-labels, recycled content, bioplastics, or relevant environmental certifications to promote resource efficiency and eco-friendly materials.
- Implement **Local Procurement** to reduce transportation distances, lower greenhouse gas emissions, support local economies, and strengthen community ties to create shared value.
- Give preference to suppliers certified under ISO 14001, ISO 50001, or equivalent environmental management systems.

iii. Social

- Engage only with suppliers that uphold human rights, provide fair labor conditions, prohibit discrimination, and ban all forms of forced labor.
- Encourage suppliers to support freedom of association, collective bargaining, and ensure occupational health and safety, such as through ISO 45001 certification.
- Consider diversity and inclusion in supplier selection by supporting gender equity and underrepresented groups, and promoting inclusive development strategies.

iv. Governance

- Uphold fair and ethical business practices; strictly prohibit bribery, undue advantages, and any form of corruption.
- Require suppliers to implement internal ethical guidelines, establish whistleblower channels, protect whistleblower rights, and encourage reporting of unethical conduct.
- Suppliers must sign the Supplier Code of Conduct and Supplier CSR Commitment Agreement, and maintain open channels for bilateral communication to foster collaboration and long-term sustainability awareness.

4. Related Documents

This policy works in conjunction with the following internal documents to support effective sustainable supply chain management:

- [Sustainable Development Best Practice Principles](#)
- [Ethical Corporate Management Best Practice Principles](#)
- Labor and Human Rights Policy
- Sercomm Supplier Code of Conduct
- Supplier's Code of Conduct Agreement
- Banned and Restricted Substances List

5. Policy Review and Disclosure

This policy shall be approved and adopted by the Corporate Sustainability Development Committee and will be reviewed and updated on a regular basis in response to international trends and evolving corporate needs.